

Adopted	Rejected
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COMMITTEE REPORT

YES:	8
NO:	3

MR. SPEAKER:

*Your Committee on Local Government, to which was referred House Bill 1806, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 14, between lines 36 and 37, begin a new paragraph and insert:
- 2 "SECTION 21. IC 6-1.1-4-39 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) For assessment
- 4 dates after February 28, 2005, except as provided in subsection (c), the
- 5 true tax value of real property regularly used to rent or otherwise
- 6 furnish residential accommodations for periods of thirty (30) days or
- 7 more and that has more than four (4) rental units is the lowest valuation
- 8 determined by applying each of the following appraisal approaches:
- 9 (1) Cost approach that includes an estimated reproduction or
- 10 replacement cost of buildings and land improvements as of the
- 11 date of valuation together with estimates of the losses in value that
- 12 have taken place due to wear and tear, design and plan, or
- 13 neighborhood influences.
- 14 (2) Sales comparison approach, using data for generally
- 15 comparable property.

(3) Income capitalization approach, using an applicable capitalization method and appropriate capitalization rates that are developed and used in computations that lead to an indication of value commensurate with the risks for the subject property use.

(b) The gross rent multiplier method is the preferred method of valuing:

(1) real property that has at least one (1) and not more than four

(4) rental units; and

(2) mobile homes assessed under IC 6-1.1-7.

(c) ~~A~~ **The:**

(1) elected township assessor; or

(2) county assessor for a township in which the county assessor assesses real property;

is not required to appraise real property referred to in subsection (a) using the three (3) appraisal approaches listed in subsection (a) if the ~~township~~ assessor and the taxpayer agree before notice of the assessment is given to the taxpayer under section 22 of this chapter to the determination of the true tax value of the property by the assessor using one (1) of those appraisal approaches.

(d) To carry out this section, the department of local government finance may adopt rules for assessors to use in gathering and processing information for the application of the income capitalization method and the gross rent multiplier method. A taxpayer must verify under penalties for perjury any information provided to the assessor for use in the application of either method."

Page 35, line 41, after "If the" insert "**county or**".

Page 35, line 41, after "township" strike "assessor" and insert "**official referred to in subsection (a)**".

Page 35, line 41, delete "or the county assessor".

Page 36, line 10, strike "township".

Page 36, line 11, before "or" strike "assessor" and insert "**county**".

Page 36, line 11, strike "county assessor;" and insert "**township official referred to in subsection (a);**".

Page 50, line 33, after "elected" insert "**township**".

- 1 Page 50, line 37, after "for" insert "**real property**".
- 2 Page 51, line 2, after "for" insert "**real property**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to HB 1806 as introduced.)

and when so amended that said bill do pass.

Representative Hinkle